# COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT	)	
FILING OF LYON COUNTY WATER	)	CASE NO. 2011-00275
DISTRICT	)	

### ORDER

On July 15, 2011, Lyon County Water District ("Lyon County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

The Commission, having reviewed the record and being sufficiently advised, finds that:

- 1. Lyon County purchases water from the cities of Princeton ("Princeton"), Kuttawa ("Kuttawa"), and Eddyville ("Eddyville"), Crittenden-Livingston Water District ("Crittenden-Livingston District"), and Barkley Lake Water District ("Barkley District").
- 2. On January 1, 2011, Princeton increased its volumetric wholesale rate to Lyon County from \$2.37 per 1,000 gallons to \$2.71 per 1,000 gallons.
- 3. On August 17, 2010, Barkley District increased its volumetric wholesale rate to Lyon County from \$1.65 per 1,000 gallons to \$2.23 per 1,000 gallons.<sup>2</sup>
- 4. On July 15, 2011, Lyon County proposed a purchased water adjustment factor of \$0.21 per 1,000 gallons which it intended to make effective on August 1, 2011.

<sup>&</sup>lt;sup>1</sup> KRS 278.015; 807 KAR 5:068.

<sup>&</sup>lt;sup>2</sup> Case No. 2010-00301, Application of Barkley Lake Water District For A Certificate of Public Convenience and Necessity to Construct, Finance and Increase Rates Pursuant to KRS 278.023 (Ky. PSC Aug. 17, 2010).

5. During the 12 months ending May 31, 2011, Lyon County purchased 55,220,568 gallons of water from Princeton; 47,872,100 gallons of water from Kuttawa; 13,546,460 gallons of water from Crittenden-Livingston District; 7,757,000 gallons of water from Eddyville; and 379,400 gallons of water from Barkley District; and sold 94,300,300 gallons of water.

6. The purchased water adjustment factor of \$0.21 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service that Lyon County renders on and after August 1, 2011.

#### IT IS THEREFORE ORDERED that:

1. Lyon County's proposed rates are approved.

2. The purchased water adjustment factor of \$0.21 per 1,000 gallons as calculated in Appendix A is approved.

3. The rates in Appendix B are approved for service rendered on or after August 1, 2011.

4. Lyon County's proposed tariff sheet filed with the application is approved.

By the Commission

ENTERED

AUG 1 0 2011

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEIST:

Executive Director

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### APPENDIX A

# APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00275 DATED AUG 10 2011

Drinaatan	New Rate	Base Rate	
Princeton Purchases in gallons Volumetric rate	55,220,568 \$2.71 /1,000 \$149,647.74	55,220,568 \$2.37/1,000 \$130,872.75	
Kuttawa Purchases in gallons Volumetric rate	47,872,100 No change	47,872,100 No Change	
Crittenden-Livingston W Purchases in gallons Volumetric rate	/ater 13,546,460 No change	13,546,460 No Change	
Eddyville Purchases in gallons Volumetric rate	7,757,000 No change	7,757,000 No Change	
arkley Lake Water urchases in gallons 379,400 olumetric rate \$2.23 /1,000 \$846.06		379,400 <u>\$1.65/1,000</u> \$626.01	
Increased water cost		\$18,995.05	
Increased water cost Divided by gallons sold Purchased water adjust	ment factor	\$18,995.05 <u>94,300,300</u> \$0.21 per 1,000 gallons	

#### APPENDIX B

## APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00275 DATED AUG 1 0 2011

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

### Monthly Water Rates

	5/8" x 3/4	4" Meter						
	First	2,000	gallons	\$19.54	Minimum Bill			
	Next	3,000	gallons	8.26	per 1,000 gallons			
	Next	5,000	gallons	6.23	per 1,000 gallons			
	Next		gallons	4.20	per 1,000 gallons			
	Over	20,000	gallons	3.70	per 1,000 gallons			
	3/4" Met	er						
	First		gallons	\$25.66	Minimum Bill			
	Next		gallons	5.89	per 1,000 gallons			
	Next	5,000	gallons	4.49	per 1,000 gallons			
	Next	10,000	gallons	3.09	per 1,000 gallons			
	Over	20,000	gallons	2.74	per 1,000 gallons			
	1" Nator							
	1" Meter First		gallons	\$78.59	Minimum Bill			
	Next		gallons	3.47	per 1,000 gallons			
	Over	•	gallons	3.07	per 1,000 gallons			
	Ovei	20,000	gallons	3.07	per 1,000 galloris			
1 1/2" Meter								
	First	25,000	gallons	\$111.25	Minimum Bill			
	Over	25,000	gallons	3.07	per 1,000 gallons			
	2" Meter							
	First	45,000	•	\$172.56	Minimum Bill			
	Over	45,000	gallons	3.07	per 1,000 gallons			

David Lovett Lyon County Water District 5464 U.S. Highway 62 West Kuttawa, KENTUCKY 42055